Amendments to the Claims

This listing of claims will replace all prior versions, and listings, of the claims in the application:

1.   (original) A method for determining a company's probability of no default comprising:

determining a factor reflecting price volatility of shares in the company;

determining a factor reflecting price of the shares in the company;

determining a factor reflecting debt per share of the shares in the company;

determining a factor reflecting expected debt recovery fraction;

determining a factor reflecting deviation of the expected debt recovery fraction; and

determining the company's probability of no default using at least the factor reflecting price volatility of shares in the company, the factor reflecting price of the shares in the company, the factor reflecting debt per share of the shares in the company, the factor reflecting expected debt recovery fraction and the factor reflecting deviation of the expected debt recovery fraction.

2. ·   (original) A method according to claim 1, further comprising calculating a second company's probability of no default according to the method of claim 1 and making an investment decision after calculating both probabilities of no default.

3.   (original) A method according to claim 1, wherein the shares in the company include equity securities.

4.   (original) A method according to claim 1, wherein the shares in the company include debt securities.

5.   (original) A method according to claim 1, wherein the factor reflecting price volatility of shares in the company includes a standard deviation of share price return.

6.   (original) A method according to claim 1, wherein the factor reflecting price of the shares in the company includes an average share price.

7.   (original) A method according to claim 1, wherein the factor reflecting debt per share of the shares in the company substantially excludes long-term debt.

8.   (original) A method according to claim 1, wherein the factor reflecting debt per share of the shares in the company substantially excludes short-term debt.

9.   (original) A method according to claim 1, wherein the factor reflecting debt per share of the shares in the company includes all company debt.

10.   (original) A method according to claim 1, wherein the factor reflecting expected debt recovery fraction includes a value reflecting historical statistics of debt recovery values.

11.   (original) A method according to claim 10, wherein the historical statistics are industry specific.

12.   (original) A method according to claim 10, wherein the historical statistics are non-industry specific.

13.   (original) A method according to claim 1, wherein the method is performed on a regular or recurring basis.

14.   (original) A method according to claim 1, wherein the method is performed before a new financial instrument offering.

15.   (original) A method according to claim 1, wherein the method is performed in conjunction with an existing financial instrument offering.

16.   (original) A method according to claim 1, wherein the probability of no default is used as a factor in rating the company.

17.   (original) A method according to claim 1, wherein the probability of no default is used as a factor in rating a particular financial instrument.

18.   (original) A method according to claim 1, wherein the probability of no default is used as a factor in rating a class of financial instruments.

19.   (original) A method according to claim 1, further comprising determining a factor reflecting current price of the shares in the company and determining the company's probability of no default also uses the factor reflecting current price of the shares in the company.

20.   (original) A method according to claim 19, wherein the company's probability of no default between time $t = 0$ and $t = T$ is $B(T)$ and determining $B(T)$ uses at least equations substantially in the forms:

$$d = \frac{(S_0 + \overline{L}D)\exp(\lambda^2)}{\overline{L}D};$$

$$A_T^2 = \left(\sigma_S^* S^* / \left(S^* + \overline{L}D\right)\right)^2 T + \lambda^2; \text{ and}$$

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$$B(T) = N\left[\frac{\ln(d)}{A_T} - 0.5A_T\right] - d * N\left[-\frac{\ln(d)}{A_T} - 0.5A_T\right],$$

where S_0 is the factor reflecting current price of the shares in the company, S^* is a given share price and is the factor reflecting price of the shares in the company, σ^*_s is a standard deviation of share prices and is the factor reflecting price volatility of shares in the company, D is the factor reflecting debt per share of the shares in the company; $\overline{L}$ is the factor reflecting expected debt recovery fraction, λ is a percentage standard deviation of the expected debt recovery fraction and is the factor reflecting deviation of the expected debt recovery fraction, and N is a cumulative normal distribution function.

21. (original) A method according to claim 20, further comprising:

determining a default spread $s(t)$ for a time $t = T$ using at least an equation substantially in the form:

$$s(T) = -\left(\frac{1}{T}\right)\ln(B(T)).$$

22. (original) A method according to claim 20, further comprising:

determining a normalized probability of no default $Z(t)$ for a time $t = T$ using at least an equation substantially in the form:

$$Z(T) = \frac{B(T)}{B(0)}.$$

23. (original) A method for determining a company's probability of no default over a time period between $t = 0$ and $t = T$ comprising:

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determining a standard deviation σ^*_s of past share prices in the company;

determining a current share price S_0 of the shares in the company

determining a given share price S^* of the shares in the company;

determining a debt per share D of the shares in the company;

determining a expected debt recovery fraction $\overline{L}$;

determining a percentage deviation λ in the expected debt recovery fraction $\overline{L}$;

and

determining $B(T)$ as the company's probability of no default between $t = 0$ and $t =$ T using at least σ^*_s, S_0, S^*, D, L and λ with equations substantially in the forms:

$$d = \frac{\left(S_0 + \overline{L}D\right)\exp\left(\lambda^2\right)}{\overline{L}D};$$

$$A_T^2 = \left(\sigma^*_s S^* / \left(S^* + \overline{L}D\right)\right)^2 T + \lambda^2 ; and$$

$$B(T) = N\left[\frac{\ln(d)}{A_T} - 0.5A_T\right] - d * N\left[-\frac{\ln(d)}{A_T} - 0.5A_T\right].$$

Claims 24 - 27 (withdrawn).